



The Good Report

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COTTON:ON
GROUP

My proudest moment on the Cotton On journey is the difference we have made in people's lives.

As our journey continues, I believe that our business has a critical role to play in creating an equitable and sustainable future. I would love our legacy to be leaving the planet in a better place than where we started.



Nigel Austin, Founder / Director

Acknowledgement of Country

The Cotton On Group is proud to be an Australian born business on First Nations land. We acknowledge Aboriginal and Torres Strait Islander people as the original custodians of the land upon which we live and work. We honour and pay our respects to Elders past, present and emerging and extend that respect and appreciation for the thousands of years they have cared for and preserved this country's lands, waters and culture. We also acknowledge our Global Support Centre is located on Wadawurrung Country. We pay our respects to Wadawurrung people and value their continuing connection to land, waters, language and traditions.

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About This Report

While this is our inaugural report, it's the beginning of something big. It's the beginning of our formal commitment to the annual reporting of our work to make a positive difference. You can count on the fact that we'll be giving it to you straight, because while we don't claim to be perfect, we're giving it everything we've got.

The Good

Our purpose is to make a positive difference in people's lives.
It's not just how we do business, it's part of who we are.

The Good is a movement to create meaningful change and channel our focus on the things that matter most. It's our work in building sustainable futures, and supporting and protecting our people and the planet. It's about celebrating differences while strengthening connections, because we know we're stronger together.

There are three ways we approach *Doing Good*:

Our Business

Acknowledging our responsibilities as a global fashion retailer to lead by example, including our Ethical Sourcing Program and sustainability efforts.

Our Customers

Partnering with our customers to drive change in the areas that mean the most to them through the Cotton On Foundation.

Our Partners

Rolling up our sleeves and investing in partnerships that build strong, resilient and equitable communities in the places where we live and work.

We know we're on a journey that will never end. We also know that, like everyone, we don't always get it right the first time - but we're never afraid to try again.

We work with our global team, our customers and the communities we operate in to listen, learn and grow.

We'll never settle and we'll never stop, because our work will never be done.

That's our word. That's *The Good*.

From Australia to the World

Picture this: It's 1988 and our first 'shop' is the boot of a Ford Bronco parked at The Beckley Market in Geelong, Australia. Inside the Bronco are denim jackets, which doesn't sound like much - but it was the start of something big.

Growing up in Australia, our founder Nigel Austin started the Cotton On Group with an epic vision in mind. He wanted to take our Aussie lifestyle to the world, *Doing Good* along the way.

It's this simple beginning and the lessons learnt from those early years that forged the path for how we still work today. And it's what set us on track to fulfilling our purpose of making a positive difference in people's lives.

Our Aussie spirit means we don't take ourselves too seriously, except when it comes to the way we do business. The way we go about things is bold, and different, and we're OK with that! This is what we talk about as the COG Way.

The COG Way lives on through every team member understanding their role in achieving our purpose, and living by a set of values that are so much more than just words on the wall. We want people on the ride with us who are obsessed with our customer, who absolutely love what they do, who are committed to caring for their mates and doing the right thing always - and above all else, who want to make a positive difference.

Purpose, Vision, Values

OUR PURPOSE:

We exist to make a positive difference in people's lives.

OUR VISION:

Take our Aussie lifestyle brands to the world, *Doing Good* along the way.

OUR VALUES:

Ever Better

Personal Leadership

People First

Keeping It Real

Fun

Integrity



A Note From Our CEO



Making a positive difference in people's lives - it sounds simple, but it's something we've always taken really seriously. It's been our purpose since day one, and 30 years later, it's still the reason we get out of bed in the morning. It's who we are and what we stand for.

It doesn't feel right that I go any further into this report without acknowledging the impact COVID-19 has had on the world, our people and their families. Sadly, we lost five team members to this virus, and remembering each of them here is a small way for us to acknowledge the people we lost, the families they left behind and the contribution they made towards our purpose.

The last 18 months really has been a time like no other, and one that has tested every part of our business. The pandemic has fundamentally changed how people live, work and shop, which means we've had to adapt, faster than ever before. Guided by our values and our commitment to our customers and each other, we've navigated these challenges the only way we know how - the COG Way.

This values-driven approach is also how we're tackling the other big challenges of our time. Our team members and customers expect us to minimise our impact and create meaningful change for current and future generations - and so they should.

Our vision is to take our Aussie lifestyle brands to the world, Doing Good along the way, and even though a lot has changed in recent years, our commitment to embedding The Good in every part of our business has not wavered. That's why we've produced this report - to celebrate our wins to date, acknowledge the work that's still to be done, and share the commitments we will hold ourselves accountable to, now and in the future.

In 2021 We;

- Fundraised our biggest year ever through the Cotton On Foundation, raising over \$20 million AUD to support quality education and healthcare initiatives around the world, creating pathways for students and their families for more equitable futures. We were also proud to be recognised by the Australian Financial Review as one of the 'Top 20 Corporate Philanthropist' for 2021.
- Partnered with UNICEF to help deliver more than one million COVID-19 vaccines to some of the world's most vulnerable communities.
- Set our target to be carbon neutral across our entire operations by 2030, kick-started by our New Zealand operations which will be our first renewable energy region as of January 2022.
- Achieved 84% of our 2023 target to wash 100% of our denim using water reduction processes.
- Significantly reduced the use of plastics across our operations by launching poly bags and postage satchels made from over 90% recycled plastic waste, while converting to 100% recycled paper swing tags and care labels made from 100% recycled plastic waste.
- Replaced all Cotton On Foundation plastic water bottles with 70% recycled aluminium bottles in Australia and New Zealand.
- Expanded our Africa Cotton Program into Mozambique to positively impact the lives of more farmers and their families, and launched our first ever range of t-shirts.
- Partnered with more than 1,200 factory workers through our Empowering Women Workers in Bangladesh program to advance their personal and professional skills.
- Commenced a process of reconciliation with the First Nations People of Australia. Our Reconciliation Action Plan (RAP) is the first part of this journey.
- Launched our Healthy Minds program to further support our team's mental wellness, offering a wide range of digital and in-person tools and resources.
- Opened our world-class holistic wellness centre at our Global Support Centre in Australia, providing our team on campus with more ways to stay well, plus more live and on-demand wellness classes and resources for our global team.
- Facilitated development sessions for 9,000 team members globally, further supporting our 'promote from within' approach, with 65% of new roles being filled internally.
- Recognised thousands of team members for their above-and-beyond performance at work through our recognition programs.

Living and breathing our purpose has never been more important. I couldn't be prouder of what our people and our customers have achieved so far, or more excited for what's to come. Our world is delicately balanced right now, and to preserve every ounce of its beauty we must continue charting a course for Good, while uniting people around the world through a common purpose, to make a positive difference.

Peter Johnson, CEO



Aligning With the UN Sustainable Development Goals

The United Nations has developed 17 goals to address the global challenges we all face, including poverty, inequality, climate change, environmental degradation, peace and justice. The Sustainable Development Goals (SDGs) are the blueprint to achieving a better and more sustainable future for all.

As a global fashion retailer, we have a role to play in contributing to and advancing the progress of these goals. We need to take collective action and support the United Nations in meeting their 2030 targets. We align our Good projects with the SDGs where we can, and we'll be tracking how we're supporting the progression of each in future reports.



Sustainability

We believe in making a positive impact on the planet. This motivates us to work harder, to find solutions and to act. We're committed to supporting the things that matter most and leaving the world in a better place than where we started.

We've got big goals to reduce, renew and recycle. Saving water, eliminating waste and sourcing responsibly are top priorities for us, all with the aim to go carbon neutral.

It's not just about what goes into our products; it's about what comes before and happens after, too. It's a cycle that starts from an idea and ends with something amazing, but what happens in between is where we can make the lasting impact. We're committed to that impact, and to Mother Nature.

There are four key areas we're focusing on to make a lasting impact:

Responsible Materials and Production

We're committed to making a positive impact through the materials we source, how we source them and for the communities we work with. We're constantly looking for more sustainable alternatives for all fibres and materials we use, and we're prioritising innovation and supporting responsible methods to reduce water, energy and waste at every stage.

Africa Cotton Program

Seven years in the making and now 15,000 farmers and their families supported. Our Africa Cotton Program commenced in 2014 when we saw an opportunity to partner with the Kenyan Government to support small farming communities in Kwale, Kenya. The goal? To help create a sustainable agricultural program that would have a positive impact for generations to come.

Plastics and Packaging

Reduce, renew, recycle isn't only about what goes into our products; it's about how we ship, package and hang them as well. It starts in our supply chain and extends to our Distribution Centres and to our stores, and every step of the way, we're committed to inspire innovation to make a difference.

Going Carbon Neutral

Our sights are set firmly on net zero. To do this, we'll be enabling big change across our entire operations - change that will support our role in future-proofing the planet.

2030 Sustainability Goals

We're committed to make a lasting impact across our global operations and through the way we source, make, and transport our products. We'll be tracking things as we go and making sure we are doing everything we can to create sustainable outcomes for each other and the planet.

Carbon Neutral



Carbon neutral with 100% renewable energy across our operations by 2030

Responsible Materials and Production



Make 100% of our products with a sustainable attribute by 2030



100% of plastics, polyester and synthetic materials made from certified recycled alternatives by 2025



100% of our denim washed using water reduction processes by 2023



100% certified responsible viscose used in products by 2023



100% of paper and cardboard made from certified recycled materials by 2023



100% sustainably sourced cotton by 2021

Plastics and Packaging



Design 100% reusable, recyclable or compostable packaging by 2025



70% recycling rate of plastics being recycled or composted by 2025



All packaging made from 50% recycled content by 2025



Phase out problematic and unnecessary single-use plastic packaging by 2025

Responsible Materials and Production

Cotton is one of the most commonly used natural fibres in the world, but for us it's so much more than that. It's in our products, it's in our name, and it's in our DNA.

With 22 million households across 75 countries being supported by the cotton production industry, we know we have an enormous opportunity to make a positive difference through the cotton we source and the farming communities we work with.

But we're not stopping there. From polyester and viscose fibres to paper, metals and plastics, we're working hard to find better, more sustainable alternatives for all the fibres and materials we use. Not just for our planet, but for people too - because livelihoods depend on it.

How We Do Things

Our sustainable fibres and materials journey started with cotton. In 2014, we launched our Africa Cotton Program (see page 26) and two years later, we became the first Australian retailer to join the Better Cotton Initiative (BCI), a global industry leader aimed at making cotton production better for the people who produce it, the environment it grows in and the sector's future. We're committed to 100% sustainably sourced cotton, forever, which includes cotton sourced through our own cotton growing program in Africa, recycled cotton, organic cotton, Australian cotton and by supporting responsible cotton production through partnership with BCI.

In 2018, we expanded our approach beyond cotton to include polyester, partnering with one of our suppliers to receive certification to the Recycled Claim Standard (RCS), which tracks recycled raw materials through the supply chain. The result? Our first range of Cotton On BODY activewear made using certified recycled polyester and nylon from post-consumer waste.

We've identified the materials where we can make the biggest impact - cotton, polyester and synthetics, viscose, plastics and paper - and have set goals to transition from conventionally produced materials to certified more sustainable and recycled alternatives.

We work hard to find the right suppliers who share our ethos towards sourcing quality, more sustainable fibres and materials.

We ensure that the supply chain is certified to the relevant globally recognised textile standards, enabling us to deliver product made with sustainable attributes while verifying the sustainability claims of our fibres and materials, from raw materials through to the final product.

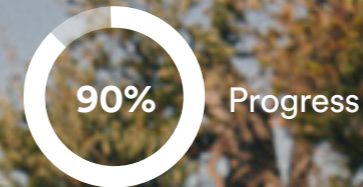


Our Made With Good Goals

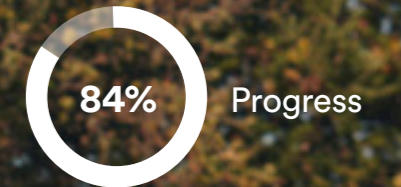
We're on a mission to make 100% of our products with a sustainable attribute by 2030.

This means every product we make will include more sustainable fibres and materials, or will be manufactured with reduced impact processing.

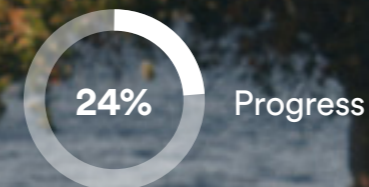
GOAL: 100% sustainably sourced cotton by 2021.



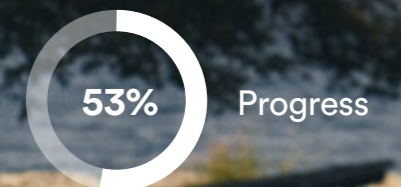
GOAL: 100% of our denim will be washed using water reduction processes by 2023.



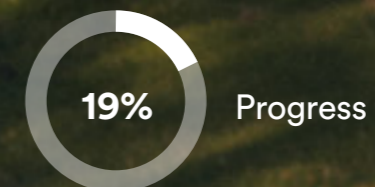
GOAL: 100% certified responsible viscose used in products by 2023.



GOALS: 100% of paper and cardboard will be made from certified recycled materials by 2023.



GOAL: 100% of plastics, polyester and synthetic materials will be made from certified recycled alternatives by 2025.



Factory Environmental Performance

We know that the settings' in which products are made have traditionally used processes that are harmful to the environment, and we're committed to partnering with our suppliers to identify opportunities to reduce the impact of production methods across our supply chain.

As per our 14 Rules to Trade (see page 49), suppliers and factories must strive to maximise more sustainable resources to reduce their carbon footprint and improve environmental performance. Our suppliers and factories must comply with all applicable national and international environmental laws, standards and regulations, and we partner with our suppliers to develop, implement and maintain environmentally responsible business practices.

Our suppliers and factories are expected to conduct an environmental risk assessment and implement an environmental policy that covers all areas identified in the assessment. Our Environmental Performance Audit covers topics across chemical safety, hazardous waste and disposal, wastewater treatment systems and is included in the Ethical Sourcing Audit. Any non-conformances identified are detailed in a corrective action plan and provided to our suppliers and factory managers for remediation.

Our suppliers and factories must ensure all chemicals are used safely and responsibly.

All goods must conform to the European Chemicals Agency Registration, Evaluation, Authorisation and Reduction of Chemicals (REACH) list of restricted chemicals and Substances of Very High Concern (SVHC) Candidate Candidate List, as well as the California Office of Environmental Health Hazard Assessment (OEHHA) Proposition 65 List of restricted chemicals.

Our Manufacturing Restricted Substances List and Restricted Substances List must be complied with by our suppliers for all apparel, footwear and textile products, in addition to those legally required in the country of manufacture and/or sale. We use the most recent edition of the Manufacturing Restricted Substances List (MRSL) published by ZDHC, and the most recent edition of the Restricted Substance List (RSL) published by the American Apparel & Footwear Association.

Over the past 12 months we have included additional environmental certification standards into our supplier onboarding process and supplier disclosure survey. This allows us to capture certifications by supplier, and we're seeing an increase in suppliers obtaining environmental credentials such as Sustainable Apparel Coalition HIGG Index programs, STeP by OEKO-TEX, ZDHC and BLUESIGN.

The data collected in our supplier disclosure surveys is used in our sustainability score on our supplier scorecard. We share insights with our suppliers during workshops and discuss the types of certification standards we are seeing across the industry. It's our aim to understand each of our suppliers' commitment and investment to environmental performance within their factories and supply chain. This also encourages our suppliers to integrate these standards into their operations, and we will continue to partner with our suppliers to support environmental best practice.

How We Do Things



Sustainably Sourced Cotton

Cotton that is produced in a way that minimises environmental impact and makes cotton production more sustainable as a whole. This includes cotton sourced through our own cotton growing program in Africa, recycled cotton, organic cotton, Australian cotton and by supporting responsible cotton production through partnership with the Better Cotton Initiative.



Recycled Cotton

Produced by turning discarded textiles into new cotton yarn, helping to divert waste from landfill. Recycled cotton generally comes from two main sources:

1. Pre-consumer waste, such as scraps and leftovers created by yarn and fabric by-products or
2. Post-consumer waste, such as used clothing and upholstery.

We partner with suppliers who are certified to the Global Recycled Standard or the Recycled Claim Standard to manufacture our products made with recycled cotton.



Organic Cotton

Organic cotton refers to cotton that has been produced and certified to organic agricultural standards.

It protects the health of soil and the communities involved by using natural processes and does not allow the use of toxic chemicals. We partner with suppliers who are certified to the Global Organic Textile Standard or the Organic Content Standard to manufacture our products made with organic cotton.



Africa Cotton

Cotton that is grown in adherence to environmental, social and governance principles ensuring environmental protection and conservation methods, fair contract relations between farmers and the market, access to ethical and dignified work, assurance of safe working conditions and effective monitoring for continuous improvement.



Responsible Viscose

Viscose fibres that are sourced through certified supply chains, ensuring raw materials come from approved responsibly managed forests, and through introducing LENZING™ ECOVERO™ branded viscose fibres into our products, which meet high environmental standards from raw materials to production, distribution and disposal.



Responsible Wood, Timber, Cardboard, Paper

Fibres that are compliant with the Australian Illegal Logging Prohibition Act 2012 and any equivalent logging legislation in the countries in which the goods are to be sold, sourced through certified supply chains ensuring raw materials come from approved responsibly managed forests, or through sourcing recycled paper certified to Global Recycled Standard or the Recycled Claim Standard.



Recycled Polyester

Most commonly sourced from waste PET material - that's the stuff in plastic bottles. Recycled polyester helps to reduce plastic waste and prevent it from ending up in our oceans and landfills. It can also be sourced from used textiles such as clothing and upholstery. We partner with suppliers who are certified to the Global Recycled Standard or the Recycled Claim Standard to manufacture our products made with recycled polyester.



Recycled Nylon

Industrial waste makes up a large part of recycled nylon production. This can include discarded fishing nets, recycled PET and fabric waste. Sourcing recycled nylon helps to repurpose waste and reduce the environmental impact of producing new nylon. We partner with suppliers who are certified to the Global Recycled Standard or the Recycled Claim Standard to manufacture our products made with recycled nylon.



Recycled Plastics

We partner with suppliers who are certified to the Global Recycled Standard or the Recycled Claim Standard to manufacture our products made with recycled plastics, such as our poly bags and postage satchels, Cotton On Foundation water bottles, and the plastic materials used in our phone cases and footwear ranges.



Vegan-Friendly

Vegan-friendly or vegan leather means that no animal testing, no animal materials and no animal derived ingredients are used in any part of the production process.



Ozone Laundry / Ozone Wash

A method of textile care that uses electricity and oxygen in place of chemicals in the traditional washing process. It substantially reduces water consumption, as well as energy, chemicals and enzymes.

Case Study:

Less Water, Same Great Denim

Denim is not just something we sell - it's an important part of our history and our DNA. For 30 years, it has been a core part of our product offering and something our customers know and love us for.

Styles have come and gone, but traditional denim production methods haven't changed much in that time. Denim production requires a lot of input, which is traditionally harmful to the environment, and uses a lot of water, particularly through cotton production. Today, our denim supports sustainably sourced cotton, and it will stay that way.

We do this by sourcing certified recycled cotton for our denim and through our partnership with the Better Cotton Initiative (BCI). Doing all this means that cotton is produced in a way that is kinder to the planet and improves the livelihoods of the people who produce it.

In 2019, we introduced 10% recycled cotton into Cotton On ladies' and men's core denim styles. Over the past 12 months we have been developing styles with up to 50% recycled cotton through blending pre- and post-consumer recycled cotton fibres.

And, in the last two years, we've been partnering closely with our key denim suppliers in Bangladesh to transition from traditional denim washing methods to reduce the volume of water needed to wash our denim.

These processes include ozone technology, which uses air from the atmosphere to generate ozone gas and create that washed vintage denim feel. This technology helps us save both water and energy while eliminating the need for toxic chemicals to get the same final result.

Our suppliers also work with rooftop drying systems for a natural drying process, helping to reduce the need for machine drying.

As we continue making these changes we'll need less virgin cotton, and will use less water, pesticides and energy to grow and harvest it. There will be less textile waste going to landfill and water usage and energy will be reduced at the finishing stage of production.

We'll continue to focus on ways to reduce water consumption across our denim range, and our aim is for all our denim to be washed using water reduction processes by 2023.

Africa Cotton

In everything we do, we're not just thinking about today - we're thinking about tomorrow. We want our impact to be felt for generations to come, so we're laying the foundations now to make it happen.

Enter the Africa Cotton Program. In 2014, we partnered with Business for Development and joined forces with the Kwale County Government, the Government of the Republic of Kenya and Base Titanium Limited, a mineral sands producer located in Kwale County, to support small holder farming communities in Kwale with the goal of creating a sustainable agricultural program that would have a positive impact now and into the future.

Through the program, we work directly with farmers to elevate local farming communities from their historical subsistence farming to more commercially oriented, profitable farming practices. We support farmers to transition to more sustainable cotton farming practices that are kinder to the planet, with the added bonus of improving livelihoods for the people who work in and on the farms.

To further support the farming communities, the formation of a Farmers' Cooperative gives farmers a united voice in negotiations with buyers, suppliers, government and supportive stakeholders.

We might not be able to predict the future, but by equipping our farmers with tools, know-how and support, we're confident their tomorrows look brighter than ever.

How We Do Things

The Africa Cotton Program is built around four key areas:

1. Developing sustainable farming practices

Giving farmers the knowledge and tools to adopt sustainable farming practices means they can care for their farms long-term. Through the program, farmers are trained in water conservation, soil biodiversity and how to manage their farms in an environmentally friendly way. The result is better crop rotations that are more climate and pest resistant, enabling farmers to harvest cotton even during the dry season. But the benefits don't stop there - these practices can be adapted to other crops that feed their families and create surplus for more income opportunities.

2. Creating jobs and income stability

In many areas where job opportunities are scarce, steady income streams are a very real challenge for African farmers. By developing relationships with global buyers, farmers in the Africa Cotton Program can build a stable income, which enables them to send their kids to school, secure healthcare or invest in housing and crop expansion. We helped to start conversations between farmers and our global supply chain, so they could understand the quality standards required of the cotton they produce and become directly involved in the negotiations of their cotton sales. The PAVI Kwale Farmers' Cooperative was formed in 2014 to give farmers a united voice in negotiations with suppliers and represent their interests to the local and federal government.

3. Empowering local women

Alongside the practical skills on offer, the Africa Cotton Program gives women in Kenya the opportunity to be financially independent and part of the decision making in their communities. 74% of the farmers in the Kwale program are women, some of whom are the primary providers for their family. Three women hold board positions in the PAVI Co-op, and 50% of registered members are women. Much of the momentum and success of the program so far is because of the engagement and interest shown by women in the community. Our goal is to reach more women and marginalised groups so they can continue to provide for their families.

4. Building strong communities

For the farmers and their families, the impact of this program is felt beyond their front door. With more money being invested back into the community, employment opportunities are rising. Incomes in Kwale are higher too. Our program has taught farmers to grow cash crops and food crops that can be used to generate additional household income. More children can attend school and income streams are diversifying thanks to new agricultural knowledge. More than 90,000 community members are now benefiting from the changes made by the Africa Cotton Program.

We Have

Over the last seven years, the Africa Cotton Program has directly supported more than 15,000 farmers - and we're just getting started. Having seen its success in driving economic and employment growth, the Government of the Republic of Kenya is now replicating the program across other cotton growing regions in Kenya.

Just five years after launching the program, we were proud to receive the Responsible Retailer Initiative of the Year award at the 2019 World Retail Congress in recognition of our commitment to the sustainable use of cotton in Kenya and our contribution to the industry through partnership with farms. The following year, we expanded the program to Mozambique where we are supporting farmers' transitions from the declining tobacco industry to sustainable cotton farming, ensuring income security by facilitating pathways to the international cotton sourcing supply chain.

In early 2021 we reached another exciting milestone, launching our first range of graphic tees made with sustainably sourced single-origin cotton from the program. We're aiming for our entire graphic tee category to be made with cotton from the Africa Cotton Program, and we will continue working towards this goal in the coming 12 months.

Cotton On has an ongoing commitment to purchase
100% of the cotton produced by the
 Africa Cotton Program.

We Will

- Drive employment and investment within all Tiers of the cotton production supply chain with the support of the Kenyan Government
- Continue to grow the program into more farming regions in Kenya and Mozambique
- Create pathways for young people to experience agriculture as a meaningful career opportunity through training and education
- Continue to invest in each farmer's success by providing quality seeds, inputs, training and ongoing agronomy support
- Enhance education and engagement of farmers and drive successful crops through technology to solve problems in real time
- Champion the creation of new cotton sourcing supply chains that begin with raw materials and are centred around end-to-end transparency and improving livelihoods

Case Study:

Catherine Kiio



Catherine Kiio is a single mum of seven in Kwale, Kenya. These days she runs a successful farm growing cotton, potato, sorghum, corn, green grams and cowpeas, but it wasn't always this way.

Catherine took up farming out of sheer necessity. Following the death of her husband, the only way she could feed her family was by growing her own food - but managing six acres on her own was tough. She didn't know what to grow or how to grow it, and was struggling with a lack of mechanical help and labour.

In 2016, everything changed. Catherine joined the Africa Cotton Program, supported by the Cotton On Group. The program provided her with the skills and knowledge required to grow a range of different crops and utilise more of her farm to increase both yields and output.

Catherine now grows six varieties of produce to sell within her community and further afield. Her farm provides a profitable and meaningful source of income, and her cotton has produced enough money to pay her daughters' school fees and purchase food and clothing for her family.

Five years on from joining the program, Catherine's dreams are only getting bigger. She's now planning to have a secure source of water so that she can venture into horticulture, ensure food security for her family and continue to send her children to school.

Plastics and Packaging

As one of our company values, Ever Better is a philosophy that runs deep through every part of the Cotton On Group and inspires us to improve and innovate wherever we can - including how we use plastic and packaging in our business.

We're taking it seriously, because we know what the consequences are for our planet if we don't. We've been on the journey to remove plastic bags from our stores since we introduced our Cotton On reusable tote bags in 2007. In 2019, we saw the complete removal of single-use plastic bags from every single one of our 1,400 stores around the globe.

From hangers and plastic shopping bags in our stores to cardboard, poly bags and pallet-wrap at our Distribution Centres, we're dedicated to making improvements at every stage of the supply chain.

And we're not going it alone, either. We're encouraging our suppliers to rethink their approach to plastic as well and supporting them to transition to sustainable packaging alternatives. One in, all in.

How We Do Things

The Cotton On Group has aligned its plastic and packaging goals to Australia's 2025 National Packaging Targets and has partnered with the Australian Packaging Covenant Organisation (APCO) to deliver best practice, sustainable packaging in support of Australia's approach to building a circular packaging economy.

These targets are driven by Australian industry and government to deliver a new and sustainable approach. They apply to all packaging that is made, used and sold in Australia, and focus on recycled packaging and the phase-out of single-use plastics.

Across the business, we're aiming to eliminate packaging wherever possible. Where we do need to use it, we'll transition to recycled or environmentally-certified products, and ensure that all packaging is recyclable in some way.

We Will

- Design packaging that is 100% reusable, recyclable or compostable by 2025
- Continue to drive recycling rates up to achieve a minimum of 70% of plastics being recycled or composted by 2025
- Ensure our packaging is made with a minimum of 50% recycled content by 2025
- Phase out problematic and unnecessary single-use plastic packaging by 2025
- Implement purpose-built packaging machines at our Distribution Centres in New Zealand, South Africa and the USA.

We Have



Removed plastic shopping bags from all of our 1,300 stores globally.



Helped more than 70% of our suppliers transition to recycled polyethylene bags to transport goods to our Distribution Centres and stores. These new bags are made from over 90% recycled plastic and are 100% recyclable with other soft plastics.



Invested in technology in our Australian Distribution Centre that uses less plastic and more recycled materials, such as our purpose-built packaging machine which custom cuts our e-commerce cartons to size, made from 80% recycled materials. Our new pallet wrap solution has reduced volumes by 55% and we've switched to recycled mail satchels made from over 90% recycled plastic.



Replaced plastic packaging fill in all of our online orders with approved paper materials from responsibly managed forests.



Reduced our on-site printing by 63%, with our support centre teams working from home for much of 2021. This has set the benchmark for our ongoing paper-lite strategy.



Replaced all Cotton On Foundation plastic water bottles in Australia, New Zealand and USA with 70% recycled aluminium bottles that are 100% recyclable! Other markets will make the switch soon.



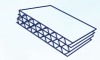
Swapped to swimwear hangers made from 100% upcycled ocean-bound plastic and post-consumer plastic waste through our partnership with Arch & Hook.



Converted garment swing tags to be made from 100% recycled paper and our care labels from 100% recycled polyester.



Delivered 100% of Ceres Life product to customers in product bags made from 80% recycled paper.



Eliminated polystyrene and plastic filling from fixture packaging in Cotton On, Cotton On Body and Rubi stores around the globe, replacing it with corrugated cardboard.

Going Carbon Neutral

Climate change isn't just something we can get around to later - we need to take action now. Future-proofing our planet is a big job, and as a global fashion retailer we know we have an important part to play.

We acknowledge that carbon is a major contributor to global climate change, and we're committed to finding ways to reduce our environmental footprint.

From raw materials and design to manufacturing, delivery and end use, we're going over every part of our supply chain with a fine-tooth comb to identify the areas where we can make the biggest impact.

Our goal? To become carbon neutral in our operations by 2030. It's big. It's daunting. But there is no Planet B.

How We Do Things

Making big change is a marathon, not a sprint, especially when it comes to something as important as going carbon neutral. We can't do it alone, either, so we're collaborating with partners and industry peers to drive meaningful transformations across our business.

We have recently partnered with a specialist sustainability advisory company, Edge Environment, to measure and map our carbon footprint, set our science-based emissions reduction targets and formalise our climate change policy to ultimately reach our goal of becoming carbon neutral by 2030.

"It's great to have the opportunity to partner with one of Australia's best-known retailers to help it develop an ambitious, evidence-based strategy. Retailers have such an important role to play in climate action, not just in terms of their own impacts, but also the influence that they can have on their customer and wider society."

Maisie Auld
Head of Carbon and Climate Resilience, Edge Environment

We might be closer to the start line than the finish line, but we're fired up and ready to go.

Our sights are firmly set on net zero.

We Will

- Calculate our carbon emissions footprint and develop our road map to achieve our 2030 carbon neutral target in 2022
- Switch to 100% renewable energy across our operations by 2030
- Become carbon neutral across our operations by 2030

For us, being part of the climate solution is a non-negotiable. We know we've got some work to do, but we're committed to taking meaningful action to reduce our carbon footprint now and into the future. We're in it for the long haul and will publish our progress to keep us accountable and on track.

We Have

- Made the switch to 100% renewable energy sources across our New Zealand store fleet and Distribution Centre, removing an estimated 907,000kg of carbon each year.
- Introduced 11 new waste streams at our Global Support Centre in Geelong, increasing our recycling rate to 48% (up from 24% in December 2020). At our Australian Distribution Centre we increased our recycling rates to 78% (up from 69% in 2019) and reduced waste to landfill by 20% from 2019 to 2021.
- Implemented a more efficient LED lighting system at our Australian Distribution Centre that reduces energy via a sensor system, which we have replicated at our new South Africa Distribution Centre. All our new store builds across the globe are also designed with LED lighting.
- Established partnerships with Geelong Disabled People's Industries, Geelong Mums, St Kilda Mums, Vinnies and UPPAREL to donate fit-for-wear sample products, and by 2022, we'll introduce a responsible textile reuse and recycling solution for our customers. We're committed to finding a solution for not-fit-for-wear items and will continue to collaborate with industry peers to ensure no textiles end up in landfill here or overseas.
- Committed to installing solar power units on our Australian Distribution Centre and new South Africa Distribution Centre in 2022, as well as on our Australian Childcare Centre and throughout various upgrades to our Global Support Centre.

Cotton On Foundation

At the Cotton On Group, we're not content to sit on the sidelines - we want to be changemakers. We won't wait around for someone else to come up with a solution when we can do something about it ourselves.

In that spirit, Cotton On Foundation is a community of changemakers like no other. It's a group united by a collective desire to create positive change in the world around us, centred on the provision of quality education as a tool to sustainably impact generations.

The model is simple but unique: life-changing products sold online or through the Cotton On Group's global network of stores, with 100% of the proceeds dedicated to projects across the globe.

A model where each participant in the chain is just as important as the next - from the customer at their local Cotton On, through to the teacher delivering impact at a Cotton On Foundation supported school.

A model driven by an engaged, passionate team, ignited by a connected customer, and enacted by local, community-focused experts who forge genuine relationships directly with communities in need.

A model that allows for quick thinking and quick action, to respond and adapt to the unpredictable, and prepare for the pace of an ever-changing world.

Since its inception in 2007, Cotton On Foundation is proud to have committed over \$130 million AUD to projects in Uganda, South Africa, Thailand and Australia, to now join the top 5% of Australian NGOs - one of 37 organisations who raise above \$10 million AUD annually.

Our History

In 2007, our founder, Nigel, made a donation to help build a healthcare centre in a small Ugandan village. Eager to see where his dollar was going, he jumped on a plane and flew 12,000km to Mannyra, where he found a community ravaged by the HIV epidemic. The virus had wiped out almost an entire generation and left devastating famine, orphaned children and economic collapse in its wake.

Nigel knew more had to be done, so he returned to Geelong and established the Cotton On Foundation. The mission was simple, but ambitious - to empower youth globally through quality education.

Fuelled by this mission, we've spent the last 14 years constantly learning and challenging ourselves to find a better way. Today, we've built a not-for-profit that supports projects in Uganda, South Africa, Thailand and Australia, and our focus has grown beyond education. In partnership with our team and customers, we have raised more than \$130 million AUD and counting.

It's not always easy being in the thick of it, but it's a million times better than not doing anything at all, and we're incredibly grateful to have our team and customers on this journey with us.

We Will

As we look forward, we'll continue to focus on delivering quality education but will broaden the scope of our projects to focus on what belonging, wellbeing and sustainability means to the communities we partner with.

The next chapter will see us deliver more schools, more quality education and more pathways to employment, to combat inequality and give fair opportunity to kids across the globe.

Side by side with this will be our commitment to wellbeing, more specifically mental health, while doing our bit to tackle the climate crisis with new environmental projects in our communities.

Over the next five years, we will aim to raise \$150 million AUD in partnership with our team and customers, to achieve our vision of creating positive change.

For you, for our community, for the planet. For the things that matter to all of us.

We will deliver on our vision by focusing on these three impact areas.

Belonging

We contribute to a world where voices of the marginalised are heard, a world where opportunity is accessible to all. As a community, we strive to be better, in a world that dispels inequalities and prejudice for all.

Education

We will build inspiring schools and deliver a holistic education across Uganda, South Africa and Thailand.

Pathways to meaningful employment

We will support every young person to find their right pathway and support them to find meaningful employment.

Opportunities for girls

We will make sure no girl misses out on an education and that they have every opportunity to follow their dreams and contribute to society at every level.

Wellbeing

We will deliver activities to support optimum physical and mental health, to empower a community of safe, happy and healthy people.

Resilient communities

We work with communities to be strong, supportive, safe and prosperous.

Mental health

We will consider the mental health of young people and the adults around them through programs in school and beyond, to address trauma and build resilience for life.

Nutrition

From food security to lifelong health, we will educate and support communities to have good nutrition.

Sustainability

We believe in a better planet for tomorrow. We will deliver activity that protects the earth's natural assets and removes carbon to protect our environment and our community.

Oceans

We will take action to preserve oceans, protect reefs and marine wildlife to maintain diverse ecosystems.

Forest and farming

We will create opportunities for carbon removal through reforestation, sustainable farming practices and innovation projects.

How We Do Things

From day one, it was clear that education was the long-term and sustainable solution to have a lasting impact. Engaging with the community would also be key in making any real impact in Uganda or across the globe.

We developed a unique fundraising model, which in its first year saw us raise \$140,000 AUD through the sale of everyday charity items to our customers. Fast forward 14 years and this model has exceeded all our expectations, helping us raise over \$20 million AUD in 2021 alone.

Our hands-on approach sees us roll up our sleeves and partner with communities to break down barriers to education so we can keep kids healthy and in school, as a way of breaking the cycle of poverty.

We understand that in order to drive long-term change, we need to look at the big picture and take a sustainable approach. It's with this belief that our project model is aligned with the United Nations Sustainable Development Goals, which underpin every project we take on.

Since 2007, our strategy and model has been guided by the following three fundamental principles:

1. Promoting and carrying out projects directly tied to the United Nations Sustainable Development Goals
2. Engaging in development and relief work, including in the areas of health, education, sustainability and essential infrastructure
3. Empowering youth on a global scale to take action, contribute and make a difference to those in need

The success of our work would not be possible without the support of our world-class team and our passionate customers, who bring to life our unique fundraising model that enables them to give back in a really meaningful and tangible way.

As a retailer, we have leveraged our core business to develop a range of everyday items starting at just \$3 AUD and ranging from water bottles and tote bags to wipes and mints, and more recently in 2020, reusable face masks and sanitising products.

The Child's Journey Model

Driven by our child-centric model, a Child's Journey focuses on delivering quality education and removing the barriers to education that children currently face, ensuring they have a brighter future full of opportunities and possibility.



We monitor and evaluate the impact being delivered at every point in the Child's Journey.



Our Model

Our unique platform is driven by our team and ignited by our customer to inspire action and ensure we continue to raise funds for our global projects.

Everyday, life-changing product.

Tell the story. Engage our team and customers in a transparent, real and inspiring way, showing them the impact they're making.



Giving team members and customers a platform to take action and change a life.

Projects that deliver better education for the most marginalised, improve wellbeing and positively impact climate change.

We Have

We're incredibly proud of everything we've achieved together since 2007. We have:

- Built 24 schools across Uganda, South Africa and Thailand, creating 213 classrooms and supporting 18,000 students from marginalised backgrounds to receive a quality education.
- Opened the Ross Langdon HIV Education Centre in Manya, Uganda to provide education, testing and treatment services in the fight against the virus. Over 35,200 HIV tests have been conducted since the centre opened in 2012, lowering the HIV positivity rate to 3.7% from 9% when we first started working with the community.
- Launched our Nutrition Mission program in Uganda and South Africa to empower communities with knowledge and education around food, to create positive eating, cooking and food preparation habits with a focus on long-term solutions to food security. To date, 3,677 participants have completed the training, with the most engaged participants becoming Nutrition Mission leaders, with the goal of spreading the program further into the community.
- Opened our first school in South Africa, EtheKwini Primary in KwaMashu, Durban, creating 1,280 educational places. Infrastructure of the school was redeveloped, with additional classrooms prioritised to ensure that children could complete their final year of primary school, Grade 7.
- Opened our first school in Thailand, Bwe K'Lar Learning Centre in Mae Sot, creating 150 educational places. Students are now supported with learning materials in their native language, as well as in English, and teachers are supported with a full salary.
- Partnered with six Yolŋu-owned and run organisations in Yirrkala, in the Northern Territory of Australia, with a focus on supporting Yolŋu youth through connection to culture and identity. Supporting 65,000 years of culture through community programs, we partner with the following organisations: The Mulka Project, Yirrkala School, Dhimurru Aboriginal Corporation and Yirrkala Homelands School.
- Funded more than 18.8 million school meals for children in Uganda, South Africa and Thailand through our School Feeding Program, so that kids don't have to learn on an empty stomach.
- Established our Pathways program, distributing more than 550 scholarships across Uganda and Thailand to enable children and teenagers to further their education beyond the school gates through tertiary education, vocational training and traineeships.
- Made commitments to local wellbeing organisations LifeChanger and Strong Brother Strong Sister and will continue to build connection to self-identity and resilience.

Read more [here](#)



Us in Numbers

Since 2007

\$130 million AUD raised

24 schools supported



18,000 students supported



439 teachers supported



18.8 million meals served



113 water tanks built

5.4 million litres of fresh water delivered

11,130 sanitary pad kits distributed



224,595

patients supported in healthcare centres

3,677

Nutrition Mission participants

Funded 57 workshops in Yirrkala, NT to support knowledge and culture sharing across generations of Yolŋu people



Cotton On Foundation product sold every 2 seconds

Completed Infrastructure

Over the last 14 years, funds raised by customers have helped support essential and sustainable infrastructure in pursuit of developing inspiring, holistic learning environments that support students, and their broader communities.

SCHOOLS



Mannya Kindergarten, Rakai District, Uganda

• 300 educational places



Mannya Primary School, Rakai District, Uganda

• 1,000 educational places



Mannya Secondary and Multipurpose Building, Rakai District, Uganda

• 1,000 educational places



Busibo Primary School, Lwengo District, Uganda

• 500 educational places



Busibo Secondary School, Lwengo District, Uganda

• 1,000 educational places



Nseese Primary School, Rakai District, Uganda

• 500 educational places



Nabbunga Primary School, Rakai District, Uganda

• 500 educational places



Kyalulangira Primary School, Rakai District, Uganda

• 500 educational places



Kamunuku Primary School, Rakai District, Uganda

• 500 educational places



Mbazzi Primary & Secondary, Rakai District, Uganda

• 1,200 educational places



Kasomolo Primary School, Rakai District, Uganda

• 500 educational places



Kensekka Primary School, Rakai District, Uganda

• 500 educational places



Kyampalakata Primary School, Lwengo District, Uganda

• 500 educational places



Kalyamenvu Primary School, Rakai District, Uganda

• 500 educational places



Bunjakko Primary School, Lwengo District, Uganda

• 500 educational places



Kyaterekera Primary School, Lwengo District, Uganda

• 500 educational places

HEALTHCARE



Ntebbe Za Ddungu Primary School, Rakai District, Uganda

• 500 educational places



Ethekwini Primary School, KwaMashu, South Africa

• 1,280 educational places



Bwe K'Lar Primary School, Mae Sot, Thailand

• 150 educational places



Mannya Health Centre, Rakai District, Uganda

145,000 patients seen



Ross Langdon HIV Education Centre, Rakai District, Uganda

Community training, HIV testing and counselling



Mannya Maternity Ward, Rakai District, Uganda

5,000 babies delivered



Busibo Health Centre, Lwengo District, Uganda

52,500 patients seen



Namabaale Health Centre, Lwengo District, Uganda

30,000 patients seen

ADDITIONAL INFRASTRUCTURE



Coffee Drying Structures, Rakai District, Uganda

Supporting 3 coffee cooperatives



Boreholes, Rakai and Lwengo Districts, Uganda

13 constructed



Rhino Tanks, Rakai and Lwengo Districts, Uganda

45 tanks installed = 1.28M litres of clean water harvested



Biogas Digesters

13 biogas digesters installed



Teachers' Accommodation

Supporting 171 teachers

Response to COVID-19

Thanks to our team and customers around the globe, in 2021 we were able to support the response to the pandemic by helping reach some of the world's most vulnerable communities, through the work of the Cotton On Foundation and our partnership with UNICEF.

THE IMPACT:

Over 2.5 million reusable face masks sold, raising
\$14.2 million AUD

23,264
home learning packs
distributed to kids

110,149 food packs, seed packs and hot meals distributed through COVID-19.

52,000 units of PPE and personal hygiene items delivered to vulnerable communities

Exclusively fundraised for UNICEF to fund the distribution of over **1 million COVID-19 vaccines** to some of the world's most vulnerable communities

Case Study: Partnering With UNICEF



Since the start of the pandemic, 290 million children globally were not in school due to COVID-19. It was projected that 24 million would never return.

In 2021, we became one of the first retailers globally to partner with UNICEF to help deliver 1 million doses of the COVID-19 vaccine to the world's most vulnerable communities, and to support children getting back to school.

Through the hard work of our team and generosity of our customers, our six-week campaign saw customers take 1.42 million actions (products sold) to support the partnership. The campaign raised \$2.4 million AUD through the sale of Cotton On Foundation products, supporting the delivery of 1,037,198 vaccines.

These vaccinations will help protect frontline healthcare workers and teachers across the globe, as we continue working to get as many kids back in the classroom, as soon as we can.

In addition, Cotton On Foundation also supported UNICEF by funding the installation of an Oxygen Plant in Southern Uganda.

The fully functional oxygen plant was built using an 'off-the-shelf' plant package designed to support a large health facility. The facility is equipped with everything needed to produce large volumes of medical grade oxygen for patients, including accessories supplied in the right quantities, installation of equipment, and planned maintenance services. The plant has the capacity to produce up to 720,000 litres of oxygen per day. Making it capable of supplying the daily oxygen needed for approximately 50-60 COVID-19 patients or more than 100 children with severe pneumonia.

"Through our Cotton On Foundation's unique fundraising model, we have supported vulnerable communities for the past 14 years. The impact of this pandemic has been felt right across the world and we're proud to be part of the solution by helping communities get back on their feet."

Peter Johnson, Cotton On Group CEO

Case Study:

Nakabuye Dianah's Story

Sponsor child of Tim Diamond, General Manager Cotton On Foundation

My name is Nakabuye Dianah, and I am 28 years of age. I was born in a small town, Mannya, situated in South Western Uganda, but I grew up in Lyantonde.

Life is very beautiful if it goes in the right direction. But when HIV/AIDS smashed our country the victims themselves were not just affected, but even those who were close to them. Children in particular were left to see more tragedies of life. I was not an exception. I lost both my parents as a result of the disease at just 12 years old.

In my family there is one older sister, two little sisters and a little brother to take care of. We used to be quite a happy family before they died, but after they passed on we were left with low hope. We were left with our grand mum who was getting old and had no energy to work for us, and we were generally sad. I found it difficult to cope without my parents, because I had no one to lean on since our grand mum had many orphans to care for.

I used to come home from school to prepare lunch, which we used as lunch and supper by the time it was ready. What came into my mind was to drop out of school, until some Good Samaritan took me

to her place. I started to go to school to keep up appearances and no one bothered to know whether you had lunch or not. I couldn't wake up.

Our condition worsened in 2004. My sister was suffering with an eye condition and could not see, and I had a serious lower abdominal pain - I had no resources for treatment. Still, these issues forced me to drop out of school, and I started doing domestic work for my siblings and my grand mum, because I thought I was the one responsible for our lives. I started to collect firewood for sale, and was digging in exchange for food.

In 2005, one of my father's friends decided to enrol me at the primary school where she used to work as a bursar. I thought this would be a good thing, but the lady was not able to support me and her kids. It's a very long story, but to cut it short, in 2006 when I was back for the holidays, I told my grand mum that I was not going back to Kampala because of the challenges I experienced there. This wasn't easy.

In early 2007, it was the start of the new school year, and my grand mum took me to the parish priest, who I believe was sent by God to change my life. He gave me courage, and encouraged me to start school at St. Bernard's SS Mannya. I was dependent on the school, and helped keep the school compound clean so I would be allowed to continue my education there.

"Thank you very much, you're such amazing people."

Nakabuye Dianah



In late 2007, our friends at the Cotton On Foundation helped me and the community by paying the school fees and accessing the treatment I needed for my health issues. That's when Tim became my sponsor through the work of the Cotton On Foundation. He supported me to complete my ordinary levels and advanced levels in Mannya over six years. He then continued to support me to complete my Bachelor's Degree in Adult and Community Education at Kyambogo University.

Because of the education I have received as a result of Tim's sponsorship support, it has doubled my hope and reset my potential limit to the extreme.

I am hopeful and very confident that my life will continue to shine vividly in the years to come, no matter how difficult it is to get a job in Uganda.

On behalf of all Cotton On Foundation's sponsored students, I feel I have no words to express our sincere gratitude for all the tremendous work done in the community, Mannya and our country at large in political, social and economic aspects. In particular, we shall be able to give back to the community, to our schools and to other institutions by using our knowledge and skills, to ensure they are sustainable and continue to meet their goals.

I wish to end my story by sharing a vote of thanks to the entire Cotton On Group business - here in Uganda and in other countries - who have put their heart and soul into making this project (Cotton On Foundation) a success.

Thank you very much, you're such amazing people.

Told by Nakabuye Dianah

Supré Foundation

Supré Foundation is the philanthropic arm of our iconic Australian fashion brand Supré. It is committed to empowering all girls and women in Australia so they can fulfil their potential, for a better tomorrow. Supré Foundation partners with organisations that are focused on mental wellbeing, education and equality.

Since welcoming Supré into the Cotton On Group in 2014, Supré Foundation has raised \$4.33 million AUD through the sale of everyday items such as reusable face masks, tissues and hand sanitiser. Over the last seven years, Supré Foundation has supported partnerships with Beyond Blue, Stars Foundation, Vinnies, Foodbank, Alannah & Madeline Foundation, Headspace and the Graeme Dingle Foundation in New Zealand.

In 2021, Supré Foundation focused on three key partnerships and goals:

Stars Foundation

Provide 100 education places in the Stars Foundation in-school programs for female Indigenous students aged 16-18 in the Northern Territory, Australia. This ensures opportunity, support, education and empowerment of the next generation of Indigenous girls and young women.

The Good: \$250,000 committed

Beyond Blue

Ensure over 1,750 girls and women can access support through Beyond Blue's 24/7 support service and help break down the stigma, prejudice and discrimination that acts as a barrier to people reaching out for help.

The Good: \$244,546

Foodbank

Provide more than 200,000 meals through Foodbank to those experiencing food insecurity. Women are 50% more likely to be affected by food insecurity than men, with a quarter of women experiencing some level of food insecurity in the last 12 months. The financial burden experienced by so many caused by COVID-19 has seen many women unable to afford to feed themselves or their children, which has meant an increase in women requiring access to food through Foodbank.

The Good: \$98,797

Sourcing Ethically

There are no two ways about it: we take a zero-tolerance approach to unethical behaviour. Not just because it's the right thing to do, but because it's the right way to do business. The only way, even.

At the core of our commitment to ethical trade are our supplier partnerships. With our Ethical Framework guiding us, we work together to educate, inspire and empower at every step.

It's been this way since 1997, when we introduced our direct sourcing model for greater visibility and control over our supply chain. This solidified strong, lasting partnerships with our suppliers that still stand today - some of them have been with us for more than 25 years.

We continued building on our direct sourcing model throughout the early 2000s and, in 2009, formalised our Ethical Sourcing Program and our code of conduct, known as our 14 Rules to Trade.

We're proud of the great partnerships we have with our suppliers and factories, and we work closely with them to ensure the environments in which our products are made are safe, fair, sustainable and responsible. Because we won't accept anything less.

Where We Source From

Our product is pretty magical, but we can't just make it appear out of thin air. Behind every item in our stores is a big team of suppliers who've helped it get there.

Over the years, our supplier base has grown from a small handful to 185 suppliers and 308 factories. To build transparency, we have categorised each stage into Tiers of production:

- Tier 1 - Final stage, sewing and assembly
- Tier 2 - Wash, dyeing, printing and embellishment
- Tier 3 - Fabrics, yarns and components
- Tier 4 - Raw materials

We Will

- Create end-to-end supply chain transparency
- Drive our Ethical Sourcing Audit Program in line with our 14 Rules to Trade
- Partner with our suppliers on continuous improvement programs
- Expand our Ethical Sourcing Audit Program deeper into our supply chain Tiers



Tier 1 Suppliers by Region

China

Cut and sew apparel, dresses, knitwear, intimates, activewear, swimwear, accessories, footwear, gifting, hardgoods



147 suppliers | 83%



Bangladesh

Cut and sew apparel, knitwear, woven, intimates, activewear, denim

18 suppliers | 16%



India

Dresses, shirts, blouses

4 suppliers | 1%



Pakistan

Cut and sew apparel, towels

3 suppliers | <1%



Vietnam

Candles, stationery

4 suppliers | <1%



United Kingdom

Packaging, gift cards

2 suppliers | <1%



South Africa

Denim, bottling

3 suppliers | <1%



Turkey

Socks

1 supplier | <1%



Kenya

Cut and sew apparel

1 supplier | <1%



Cambodia

Cut and sew apparel

1 supplier | <1%



Uganda

Cut and sew apparel

1 supplier | <1%

Percentages based on number of units produced in each region in 2021

108,408 workers employed

55% of workers are female

Ethical Sourcing Program

Formalised in 2009, our Ethical Sourcing Program, including our 14 Rules to Trade, has been put in place to protect human rights and the environment while continuing to strengthen our supplier partnerships.

Before partnering with a supplier, we make sure they understand our expectations when it comes to operating ethically, and how to adhere to our 14 Rules to Trade. The rules cover all four of the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work. These are: freedom of association and the effective recognition of the right to collective bargaining; the elimination of forced or compulsory labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation. The rules are also translated into local language in all agreements to ensure full understanding.

The program is managed by our ethical sourcing team, which is made up of team members in Australia, China and Bangladesh. They work closely with our suppliers to implement the 14 Rules to Trade and manage the supplier auditing process from end to end, conducting education and training where required.



14 Rules to Trade

- 1 No child labour
- 2 No forced labour
- 3 Respectful working environment including diversity, equity and inclusion
- 4 Working conditions are safe and hygienic
- 5 Advancing to living wages
- 6 No bribery or corruption
- 7 Fair working hours
- 8 All employment laws are followed
- 9 Disclosure of entire supply chain
- 10 Respect for freedom of association and collective bargaining
- 11 Reduce environmental impact
- 12 Responsible sourcing - raw materials and practices
- 13 A valid business license and building permit must be held
- 14 Implementation and proving compliance to the 14 Rules to Trade

Modern Slavery

We take a zero-tolerance approach to any form of modern slavery including servitude, human trafficking and forced labour. We are committed to an ethical and transparent approach to business, ensuring effective systems and controls are in place to safeguard against any form of modern slavery across our entire operations.

Our Modern Slavery Statement sets out the steps we take to address the risks of modern slavery and human trafficking in our operations and supply chains. This is in accordance with the Transparency in Supply Chains Act of 2010 in California, the Modern Slavery Act 2015 in the United Kingdom, the Modern Slavery Act 2018 (Cth) in Australia nationally, and the Modern Slavery Act 2018 (NSW) in New South Wales.

We also have an established risk team based at our Global Support Centre in Australia and in each of the markets we source from or operate in. This team works to identify and mitigate risks, and evolve our zero-tolerance approach across our business.

We are constantly progressing our approach to modern slavery and work closely with our suppliers, industry leaders, governments and NGOs to ensure our operations are ethical and reflective of industry standards.

Read more in our policies and statements:

[Modern Slavery Statement](#)

[Anti-Slavery and Human Trafficking Policy](#)

[Child Labour and Forced Labour Policy](#)

[Gender Equality In The Supply Chain Policy](#)

Sustainability Steering Committee

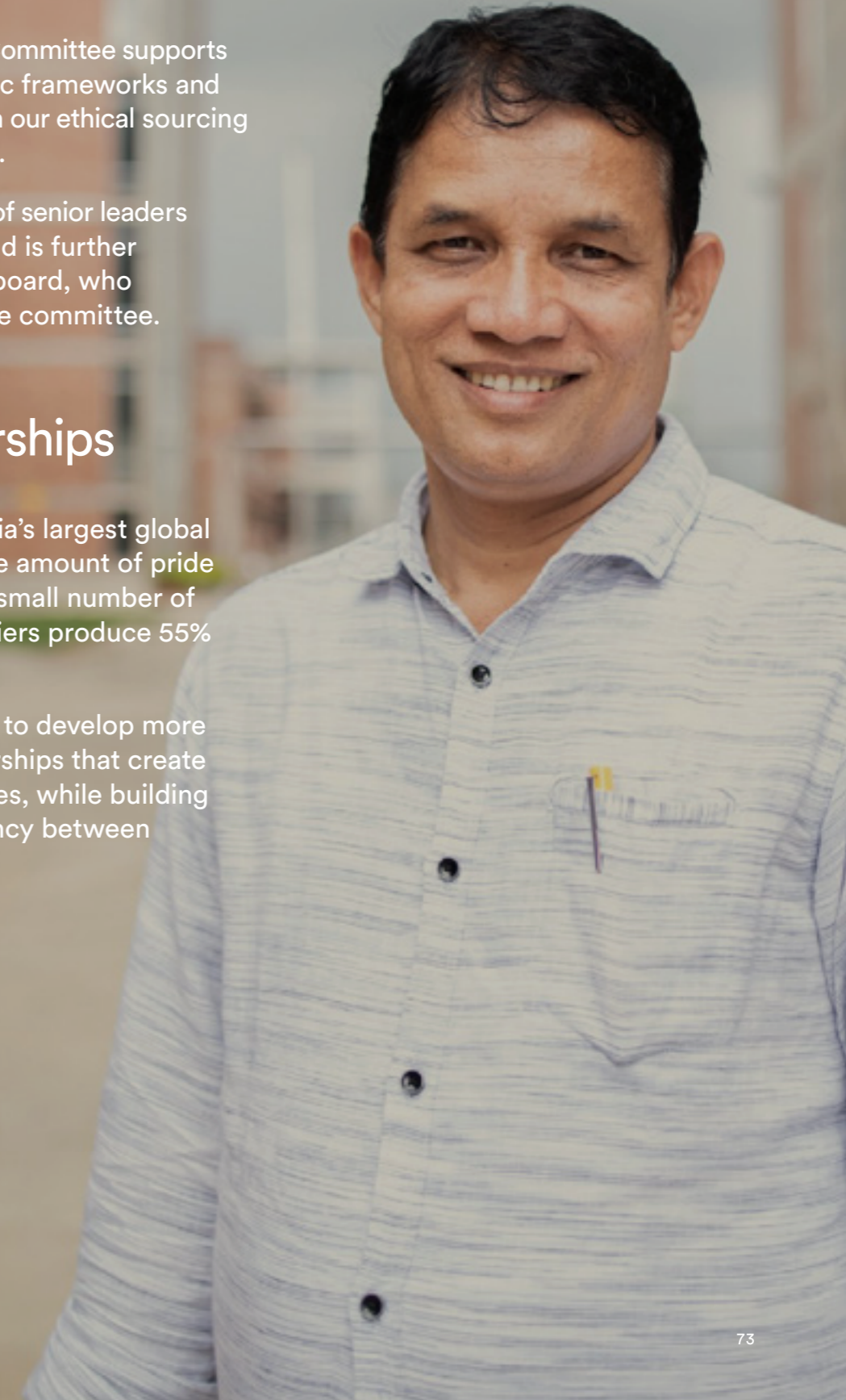
Our Sustainability Steering Committee supports the development of strategic frameworks and objectives on how we govern our ethical sourcing and sustainability programs.

The committee is made up of senior leaders from across the business and is further supported by our advisory board, who play an active role within the committee.

Supplier Partnerships

We might be one of Australia's largest global retailers, but we take a huge amount of pride in working with a relatively small number of suppliers - our top 20 suppliers produce 55% of our products.

Our supplier base allows us to develop more strategic, long-term partnerships that create mutually beneficial outcomes, while building greater trust and transparency between our businesses.



Supplier Agreement

Our supplier agreement details the expectations we have of all of our suppliers. The agreement extends to each Tier within our supply chain and is signed prior to onboarding and every two years thereafter by all of our suppliers.

We translate our supplier agreement into relevant local languages including our 14 Rules to Trade, which we also require to be posted in each of our supplier's factories in a location accessible to all factory workers.

Supplier Onboarding

We want all of our supplier partnerships to be successful and we aim to only enter into partnerships where a supplier is on the same path as us.

When we first engage with a new supplier we evaluate their approach to ethics and sustainability, as well as their production and quality capabilities.

We conduct factory assessments to audit the supplier's operations against our code of conduct or 14 Rules to Trade. These assessments also extend to the supplier's subcontractors, and include a full review of working conditions, building safety and remuneration for all workers in line with the country's national minimum wage and local labour laws. In some instances we also partner with third parties to conduct an independent review prior to entering into a supplier agreement.

The use of any unauthorised factories to manufacture our products is strictly prohibited. All agreements with subcontractors must be approved and made

available for audit by the Cotton On Group's ethical sourcing team. Compliance with our code of conduct is also required for subcontractors, and we should be informed of any change to a factory location so we may reconduct our audits.

To ensure a supplier can produce and comply with the highest quality of products, we also require a self-assessed pre-screening based on a minimum set of requirements. Our in-house quality team then validate this assessment on-site.

Before production begins, we work closely with the supplier and their team to train on our Ethical Sourcing Program, product quality and compliance standards. We then place a trial order to round out the process. Once a supplier has been onboarded, we assess performance at six months and then every year after that with our supplier scorecard system.

Supplier Scorecard System

We work closely with all of our suppliers to set up a path of success using a scorecard system. This allows us to grade supplier performance annually based on key metrics across production, ethics, sustainability, product quality, compliance and logistics.

The grading system encourages suppliers to not only produce incredible products but to do it ethically, rewarding an increase in business to those scoring in the highest categories and identifying where we need to work with and develop a supplier further.

Scorecard	Explanation
Diamond	Our preferred partner delivering over and above in all areas
Gold	A key partner delivering in all areas of the business
Silver	Our partner who is working with us to deliver in all areas

Working Together on Supplier Strategies

Our supplier partnerships extend far beyond the transactional, and we work together to build strategic plans for long-term performance goals and growth. Each supplier’s strategy is built out to meet the needs of both the Cotton On Group and the individual supplier, and is reviewed several times a year to ensure ongoing supplier alignment and production availability.

We use our Supplier Strategy Workshops to collaborate and give visibility on all short- and long-term plans. In these workshops we also include scorecard results and action plans.

Our in-house and our supplier teams gain so much from these workshops. We’re really proud of the collaborative and empowering results that have come out of each session, and we look forward to seeing our suppliers in person for these workshops in 2022.



Supplier Connect Conference

We also nurture our partnerships through our Supplier Connect Conference, where every two years we bring together all of our suppliers in either China or Bangladesh. At the conference, we cover everything from trends and product innovation to our expectations for ethical and sustainable sourcing.

We invite industry experts to attend and share insights on important topics within the industry. Previously we have hosted representatives from Baptist World Aid, CARE, Business for Development and Alliance for Water Stewardship.

Our Supplier Awards are an opportunity for us to reward and recognise our suppliers for their outstanding efforts when it comes to creating and delivering amazing products for our customer, and doing so with integrity.



Confidential Hotline

We provide a confidential hotline that is available to all workers in each of our suppliers' factories. It gives every individual in our supply chain the opportunity to anonymously report any breaches against our 14 Rules to Trade, grievances or workplace issues without fear of retaliation. The anonymous hotline is accessible 24 hours a day, seven days a week.

As part of our Supplier Agreement, all suppliers should display our confidential hotline information where it is accessible to each and every one of their workers.

Any grievances and associated remediation is reported to and managed by our General Manager of Risk and Sustainability and Ethical Sourcing Assurance Manager.

Read more in our policies and statements here:

[Supplier Confidential Hotline](#)

Auditing and Remediation

Our Ethical Sourcing Program is underpinned by a robust auditing, corrective action and remediation process, managed by our team in Australia and on the ground in the regions where our products are made.

As well as helping us understand where and how our products are made, the audit process enables our suppliers to come on the journey with us and play an active role in our commitment to ethical and sustainable operations.

The audits cover more than 160 topics ranging from fire safety to wages. Factories are given a rating (green, yellow, orange or red) based on their audit, and it is included within our supplier scorecard system.

Our audits may be conducted with or without announcement, and prior to 2020 we benchmarked which percentage of audits ran announced vs unannounced. In response to COVID-19 and in line with health and safety protocols, we paused unannounced audits. We also introduced virtual audits to ensure we evolved with an agile approach.

Audit Grading System

This table outlines our audit criteria and determines the frequency of audit.

Category	Explanation	% of suppliers
Green	<ul style="list-style-type: none"> • 0 zero-tolerance findings • 0 critical findings • Factories are re-audited every two years 	8%
Yellow	<ul style="list-style-type: none"> • First occurrence of a critical finding • Less than eight critical findings with corrective action and remediation plans • Factories are re-audited every 12 months 	53%
Orange	<ul style="list-style-type: none"> • Eight or more critical findings with active corrective action and remediation plans • Repeated occurrence of a critical finding • Factories are to be re-audited every six months 	38%
Red	<ul style="list-style-type: none"> • 1st occurrence of zero-tolerance finding • Immediate remedial action required • Factories are to be re-audited every three months 	1%

We take a zero-tolerance stance against important issues such as child labour, forced labour, unpaid wages, undisclosed factories, bribery and corruption, and inconsistency among factory records such as fake or false records.

Where a zero-tolerance finding is identified by an auditor, the auditor will report the issue within 24 hours. Corrective action plans are issued immediately and need to be completed within seven days. The remediation will vary depending on the zero-tolerance breach.

Critical findings include non-compliance around management systems including working hours, overtime and correct payment of legal minimum wages and entitlements. Critical findings also include building and fire safety, ensuring valid safety certificates, fire extinguishers, smoke detectors, fire alarms and chemical management.

We audit all Tier 1 factories based on how they're graded within our audit system. This continuous cycle takes place over a period of 12 months, working in partnership with our suppliers.

The Audit Includes:

- A comprehensive walk-through of the entire factory
- A document review to verify compliance with wage payment, fire and building safety
- Private employee interviews to better understand their working conditions and employment terms
- A final meeting with the management team to discuss the audit result and prepare the corrective action plan and schedule the follow-up audit

Following each audit, a corrective action plan is developed in partnership with suppliers and their factory managers. If a supplier is found to be in breach of our 14 Rules to Trade, we will always try to overcome the issue through education and improvement before taking more serious action, as we believe this creates better outcomes for the supplier and their workers.

2021 Audit Results:

185
suppliers

341
factories audited

535
audits

190

follow-up audits
to validate the implementation of corrective action plans and deliver training and education

2021 Audit Results



1,500 worker interviews were conducted to support working conditions, wages, working hours and entitlements, training and education.

In this time, we identified 33 zero-tolerance breaches against our code of conduct, known as our 14 Rules to Trade, across four suppliers and 18 factories. The breaches included workers not being paid their legal minimum wage entitlements, workers subjected to involuntary overtime hours, inconsistencies identified in factory records and suppliers using undisclosed subcontractors.

These zero-tolerance breaches were remediated with all four suppliers and 17 factories. The remaining factory has an active remediation plan in place and follow-up audits scheduled.

We exited four factories as a result of non-compliance with our 14 Rules to Trade.

The most common zero-tolerance breach against our 14 Rules to Trade is workers not being paid their legal minimum wage entitlements. We've developed specific training modules focused on helping employers better manage employee wages, hours and benefits, and our in-market teams have conducted training sessions in relevant factories.

In 2021, training on wage management was conducted with 64% of our Chinese suppliers and we plan to roll out a similar program with our Bangladesh suppliers in 2022.

COVID-19

Like many businesses around the world, 2020 challenged us. But with our Ethical Framework guiding our every move, it's been our priority to stand side by side with our suppliers.

At the beginning of the COVID-19 pandemic, we immediately communicated our plan to our suppliers, detailing the ways in which we were able to support them with all existing orders. We committed to all orders in our supply chain that were already in production before COVID-19, honouring existing payment terms and pricing, redirecting excess stock to other markets where seasonally relevant, and repurposing fabrics into ranges landing later in the year.

We worked closely with our partners to support them to create safer working environments in their factories.

When COVID-19 threw domestic and international travel into disarray, our ethical sourcing and quality team had to get creative. They worked closely with our partners to support them in creating safer working environments and conducting important follow-up audits.

With physical inspections off the cards, we introduced a virtual follow-up program for those issues that could be checked over a video call rather than in person.

Living Wages

The Cotton On Group has long supported a transparent approach to understanding the living and working conditions of the people who produce our garments, and we're doing what we can to move towards a living wage - it's one of our 14 Rules to Trade.

In May 2018, we became a proud member of Action Collaboration Transformation (ACT). ACT is a groundbreaking initiative, bringing together global brands and IndustriALL Global Union to develop the innovative strategies needed to bring about the successful transition from minimum wages to living wages.

A living wage is the minimum income necessary for a worker to meet their family's basic needs, including discretionary income, and should be earned during legal working hour limits.

We set clear expectations through our 14 Rules to Trade that all workers in our supply chain must be paid at least legal minimum wage requirements, and we're committed to partnering with suppliers and factories on advancement to living wages.

Unfortunately, increasing wages is not quite as simple as just paying more for our product - the extra funds don't always make it into the pockets of workers. The journey towards a living wage is bigger than us, and will require collaborative agreements between employee representatives, employers and governments.

We recognise that individually our impact may be limited; that without buy-in from major players globally the realisation of living wages for all will not be timely or sustainable. We're committed to working globally with fellow signatories to ACT, towards the establishment of industry-wide collective bargaining to create positive change in the way wages and working conditions are set. Importantly, we have committed to improving purchasing practices.

We've committed to:

- Include wages as itemised costs
- Fair terms of payment
- Better planning and forecasting
- Undertake training on responsible sourcing and buying
- Practice responsible exit strategies for suppliers

Where we find an issue, we:

- Set clear corrective action plans with factory management to remediate
- Undertake training with management to ensure understanding of requirements
- Conduct training with workers to ensure rights and entitlements are understood
- Ensure factory managers implement management systems to uphold their legal obligations
- Set follow-up dates (for both training and re-audit)

We have set the incorrect payment of minimum wages as a zero-tolerance finding and our program ensures that suppliers are supported to make positive changes to close breaches. We will always work with a factory to resolve zero-tolerance findings instead of ceasing relationships with our suppliers immediately, as this places the worker at risk of not having the wage breach rectified. Ultimately, this program is worker-focused and puts their wellbeing front and centre. While we have made decisions to cease relationships with non-compliant suppliers, this move is a last resort. Our approach is to collaborate with our suppliers by educating them on the need to ensure workers are paid correctly.



We provide training and education programs for owners, managers and factory workers to ensure they all understand the expectations and legal obligations to pay correct wages. In cases where remedial action is required, we work closely with our suppliers to make sure improvements are made.

Although there is currently no global solution to the challenge of realising living wages for all, we are working to develop the tools and support necessary for the successful transition from minimum wages to living wages. We are actively working to identify improvements in responsible purchasing and sourcing practices to facilitate improved conditions and wages.

In 2019, we conducted internal training of the ACT approach with more than 270 team members to assess our purchasing practices, benchmark to best practices and identify priorities for improved operations within our business.

In March 2021, the ACT brand members successfully rolled out the ACT Purchasing Practices Surveys to their suppliers and their own employees.

With responses from 1,831 brand employees and 1,338 individual suppliers' the ACT Purchasing Practices Surveys 2021 are the largest surveys ever undertaken of both suppliers and brand employees on purchasing practices. Our results show a pattern similar to the overall ACT results, with price quotations, forecasting and planning being given the most importance.

We have set the target for the end of 2023 to embed the ACT Global Purchasing Practices Commitments into our operations in collaboration with our supplier partners. Delivering on this will create the conditions necessary to successfully support the negotiation of collective bargaining agreements and secure living wages.

[Learn more about ACT](#)

Traceability and Transparency

This is what it boils down to: we need to know who makes our product and where it's made. We're committed to transparency at all levels of our supply chain - which means sharing this information with our customers and the world.

Our traceability program is aimed at identifying and partnering with each of the facilities within our supply chain to drive factory improvement, made possible through strong two-way dialogue with our suppliers.

Supplier and final-stage factories are required to disclose the inputs, components and raw material factories as part of our onboarding.

In 2019, we mandated assigning a factory to every purchase order. This resulted in greater visibility for all teams of where our product should be made. We also introduced an escalation process to remediate unassigned facility production. 100% of our orders are raised in our system at factory level, which means all of our products can be traced back to supplier and final-stage factory.



Suppliers participate in a disclosure survey twice per year to confirm, amend and disclose any additional facilities in their supply chain. Through partnership with our suppliers and production teams, we achieve a 92% return rate from our suppliers.

The next phase of our traceability program is product. We began including specific product information in our survey to identify the supply chain associated with manufacturing of that product, from sewing and assembly all the way through to where the cotton was grown.

We began publicly disclosing our Tier 1 supplier and factory list in 2016 as part of our journey to achieve 100% traceability and transparency. As we gain further visibility into our supply chain, it uncovers more networks of suppliers. Over the last 12 months, we have extended our Ethical Sourcing Program into Tier 2 and 3 facilities in China and Bangladesh and will be updating our public factory list with these facilities as they begin their audit, corrective action and remediation cycles as part of our Ethical Sourcing Program.

These suppliers are updated and published on our website twice a year. [Read the full list here.](#)

We take a zero-tolerance approach to working with undisclosed factories, as outlined in our 14 Rules to Trade, and have implemented an unauthorised subcontracting investigation process in our supplier audits.

We know 100% of our Tier 1 suppliers and factories. Of these, 90% have disclosed the source of their fabrics, yarns and components, and 31% have told us where their raw materials come from.

Cotton Supply Chain Traceability Program

Our 14 Rules to Trade strictly prohibits any type of forced labour, discrimination or harassment of workers in our supply chain, regardless of the country or region.

We are signatories to the Responsible Sourcing Network to support collaboration, transparency, traceability and accountability within the cotton sourcing sector to remove slavery out of high-risk cotton sourcing regions. In 2019 we implemented the Cotton Supply Chain Traceability Program to understand how cotton moves around the globe in response to allegations of forced labour across high-risk regions.

We partnered with our Tier 1 cotton sourcing suppliers to identify each of their fabric mills, yarn spinners, cotton ginneries and cotton farms, resulting in additional levels of transparency across this sector. Currently, the majority of the cotton we source is not easily traceable back to its origin, but we are focused on increasing the volume of traceable cotton fibres in our sourcing by using certified organic and recycled cotton, cotton grown through our Africa Cotton Program and through sourcing Australian cotton.



Case Study:

Empowering Women Workers in Bangladesh

In Bangladesh, the ready-made garment industry is big - it generates more than \$30 billion in export revenue per year. Of the four million workers the industry employs, 90% are female but not many of them are in managerial or leadership roles. We wanted to do something about that.

In March 2019, the Cotton On Group launched the Empowering Women Workers in Bangladesh program, in partnership with CARE Australia and CARE Bangladesh. The program is aimed at supporting women to reach their full potential in their work and home lives. Two and a half years on, we've already had 1,260 women complete the program.

Empowering Women Workers in Bangladesh is focused on equipping women with life and leadership skills to empower them to create positive change. The program also provides mental health counselling and education in problem solving, stress management, nutrition and financial literacy.



Program Objectives:

- Increase the number of females in leadership position in factories and broaden their skills across multiple functions for further opportunity
- Develop managerial awareness of women workers for career advancement
- Train and encourage existing management and supervisors to empower women into leadership roles
- Further educate women in communication, negotiation and leadership skills, strengthening their understanding of gender discrimination, rights and entitlements

Research shows that managers and supervisors who received training through the Empowering Women Workers program became more supportive of the workers, and as a result productivity increased.

“The program means a lot to the women who take part, they feel more confident and it has helped emerge their leadership capability, which was hidden within themselves. Positive changes include: increased inner strength, improved problem solving, self-confidence, showing an eagerness to learn, positive relationship development with supervisors, and the ability to speak confidently in front of an audience.”

Kazi Ashfaq, Ethical Sourcing Team Leader in Bangladesh, who coordinated the program

We're really proud of the results of the Empowering Women Workers program. As of July 2021, the factories who participated in the program reported:

- 82% of the female workers reported a stronger level of knowledge on workplace rights and entitlements. Specifically wage, incentives, health and leave had significantly improved
- 89% of female workers now aspire to become a manager or supervisor and have experienced increased individual confidence in skill and capability
- 95% of the female workers reported an improved understanding of the roles and responsibilities performed by supervisors and the benefits a supervisor is entitled to
- 91% of advanced trainees and 73% of basic trainees said they had approached management regarding promotion after receiving training
- 100% of the advanced trainees have reported that they are able to acknowledge gender discrimination in the workplace and in family
- Most participants claimed to have stronger communication skills to work more effectively with factory management and supervisors

Read more about [CARE](#)



Partnerships

From one person in Geelong with a big idea and a tonne of entrepreneurial spirit, to global operations spanning 22 countries and 18,000 team members - a lot has changed in 30 years, but we're as connected to our local communities as we always have been.

We're not just looking to make products or open stores, we want to be a force for positive change in the communities where we live and work. Through our Partnerships program, we connect with like-minded organisations to find out what really makes a community tick and raise funds for projects that will make a meaningful difference.

We love bringing people together, too. In 2009 we held our first Run Geelong, and what began as a grassroots fun run in our hometown soon spread to Ballarat, Wollongong, Newcastle, Sunshine Coast and Townsville, raising **\$5.6 million AUD** to support children's healthcare in regional Australia.

Back in Geelong, we've generated **\$3.6 million AUD** to support local healthcare services including University Hospital Geelong's Children's Ward, Special Care Nursery and Maternity Ward.

Because we'll never forget where we came from.



How We Do Things

Today, our Partnerships program supports global healthcare, education, environment and community empowerment, with the goal of building sustainable futures for our mates in our backyard. We are proud to be driving positive change in the communities we live and work in.

Since that first Run Geelong in 2009, in partnership with our customers and team members, we are proud to have raised over **\$23 million AUD**, as well as given countless product donations, mentoring and skilled volunteering opportunities to initiatives across the globe.

But we couldn't have done it alone. We understand the power of collaboration with other organisations that are doing great work in the community.

So, here are our current partners.

Our Partners



1% for the Planet (AU)

CERES LIFE is a proud member of 1% for the Planet, which means we are committed to donating 1% of all the brand's sales to non-profits that work to protect the environment. Our chosen non-profit is Drip by Drip, who are the world's first NGO committed to reducing water waste issues in the fashion and textile industry by:

- Supporting natural water cycles
- Protecting equal water distribution
- Minimising the negative effects of our fashion consumption habits

The Good: Together we have donated \$28,400 AUD over the past 18 months, directly to Drip by Drip.



AFLW (AU)

As a business made up of more than 80% females, we're incredibly proud to be the official apparel sponsor of the AFLW.

Since their launch in 2017, we now work with all 18 clubs to design elite, on-field apparel in partnership with the athletes themselves.

The Good: \$1.6 million AUD contra contributions through the provision of on-field apparel to AFLW.



Sea Shepherd Australia (AU)

In January 2022, we will be launching an exclusive range in partnership with Sea Shepherd. T-shirts will be made from 100% organic cotton and will be available to customers globally at different stages throughout the year. 10% of proceeds from the sale of each item in the range will go towards Sea Shepherd's efforts to defend, conserve and protect our oceans.

The Good: We look forward to sharing our progress with you in our 2022 report!



Mental Health Foundation (NZ)

Since 2019, we're incredibly proud to have supported Mental Health Foundation as their exclusive retail partner. We work in collaboration with their team to design and sell their pink charity t-shirt as part of their Pink Shirt Day campaign – aimed at supporting mental health by stamping out bullying.

The Good: Together with our customers we have raised \$879,000 AUD for Mental Health Foundation over the last three years.



Para Los Niños (USA)

Para Los Niños supports vulnerable children aged 6 – 8 and their families to achieve success in life and school. Para Los Niños Charter Middle School is a centre for urban education, providing students and families with the support and tools necessary to ensure academic success. We take great pride in providing ongoing support to Grade 6 students through provision of back-to-school supplies as well as financial support to ensure a successful orientation day for new starters.

The Good: \$49,600 AUD donated in financial support and product donations.



The Clothing Bank (ZA)

The Clothing Bank creates income-generating opportunities for women in South Africa. Up to 800 women participate in a two-year program, with support and training to create their own business. Once they have finished the training, participants can purchase discounted product from retailers to sell in their communities. This program ensures women are learning valuable skills, as well as earning a stable income for them and their families.

The Good: \$130,000 AUD of product donated or sold at a reduced rate to The Clothing Bank for fundraising opportunities.

Case Study:

Carrie's Beanies 4 Brain Cancer

In Australia, one of our proudest community partnerships has been our work with Carrie's Beanies 4 Brain Cancer (CB4BC). Together with our customers, we believe we can help make a difference to the futures of brain cancer patients and their loved ones.

Founded by Australian journalist and TV presenter Carrie Bickmore after she sadly lost her husband Greg to brain cancer, CB4BC produces beanies each Australian winter to spread the message and raise much-needed funds.

We were proud to partner with Carrie in 2018 and 2020 to design, produce and exclusively sell beanies and caps through our online and bricks-and-mortar stores in Australia. Together, we raised 16 million AUD to go towards much-needed brain cancer research and awareness.



We wanted to be involved due to the alarming stats: one Australian is diagnosed with brain cancer every five hours, and studies show there has been no improvement in survival in the last 30 years. Brain cancer affects more people under 40 than any other cancer and claims the lives of more kids than any other disease.

"We're so thankful to Cotton On for helping us make it happen. It really allows us to maximise our money to make sure that the most money possible goes to research.

It also allows us to get our beanies, our beautiful beanies, onto people's heads as quickly as possible. I know Cotton On believes in helping the community and helping good causes."

Carrie Bickmore

The Good: Since 2018, we are proud to have raised \$16 million AUD for vital brain cancer research in partnership with our customers.

A snapshot of July 2020:

- **97,640 customers** got behind the campaign
- A total of **190,333 beanies** were purchased
- **\$5.5 million AUD** raised
- Beanies and caps sold out within **14 hours**

Inspiring, Caring For and Growing Our People



Our people don't come here to play it safe. They come here to do great things. An entrepreneurial spirit has been embedded in our culture since day one, and 30 years later it's still what drives us. To lead. To innovate. To deliver unforgettable experiences for our customer.

But none of that can happen without our people. At the Cotton On Group, we've got 18,000 team members in 22 countries from countless nationalities, and they're at the heart of everything we do.

Every member of our team brings their own unique perspective and talents, while being united in a common purpose to make a positive difference in people's lives. Underpinned by our values of Personal Leadership, Integrity, Ever Better, People First, Keeping It Real and Fun, this isn't just a great place to work - it's a place to do great things.

Team Member Overview

Our People and Culture


18,000
team members

22 
countries

50% female at leadership level

Average age of team: 27

600+ kids annually participate in our school holiday program

300 office dogs 

We love big ideas and rolling up our sleeves to get the job done. We work hard, and we look out for our mates while creating amazing experiences for our customer. We call it the COG Way. It's how we put our values into action and remain focused and inspired to deliver the next big idea. We've created an environment built on creativity and self-expression in a place we love showing up to, each and every day.

There are four ways we approach inspiring, caring for and growing our people:

Wellness

We care for our people in all aspects of their lives. We're all about supporting and enabling them to be the healthiest versions of themselves. For us, wellness is not something we do, it's who we are - we live and breathe it.

Learning and Development

We know our future leaders are among us, and we're going to accelerate their development through experiences and empowerment. This focus on development unlocks an agile workforce that is ready and able to respond to our customer's needs. We will inspire our people to love what they do.

Belonging

We're building a culture of belonging and connection extending from our team to our customers, and everyone in between. We want our people to feel seen, heard and accepted for who they are, and that means fostering an environment where they can be themselves and have equal opportunity to succeed.

Reward and Recognition

Our people work hard, and they achieve so much. Reward and recognition are embedded into our everyday and it's something we have a tonne of fun with. We really do believe we have the best team in the world and our job is to ensure they are rewarded and recognised for their efforts, their wins and the way they show up for our customer, every time.

We Will

- Champion a wellness culture by embedding it in everything we do, every day
- Train our leaders in Mental Health First Aid to support our people in their time of need
- Ensure everyone in our team will belong, through a culture underpinned by diversity, equity and inclusion
- Embed our Reconciliation Action Plan throughout our business
- Support parents on campus at our Global Support Centre in Australia by opening Cotton On Childcare
- Expand our gender neutral offering across more brands and categories
- Enhance our teams' careers and performance in all areas of their lives through evolved development programs and opportunities to upskill across the globe
- Invest in further leadership programs to nurture the next generation



Wellness

For us, wellness is about helping our people to become the healthiest version of themselves, and we know that looks different for everyone. We take a holistic approach and focus on five areas of Eat, Rest, Move, Connect and Play.

Making space for wellness is so much more than the programs themselves - it's about lifting our people up, encouraging them to grow, and helping them to thrive at work and in life.

This approach to wellness is also underpinned by our Safety Matters framework which is embedded in all areas of our business, from our support centres to our stores and Distribution Centres. As our business has grown, we've continued to educate and support our team members to always put safety first - and that's something we're really proud of.



Highlights

- Our holistic wellness program, Healthiest YOU, lays the foundations of wellness, supported by a global platform full of tools and resources for our team members. We also look after their mental health through our Healthy Minds program.
- Our world-class Body Health and Wellness Club at our Global Support Centre in Geelong offers a state-of-the-art gym, reformer Pilates studio, Run Club room, spin studio, group training sessions and meditation. We also have a team of holistic health experts comprising trainers, psychologists, osteopaths, nutritionists and acupuncturists. Team members around the globe can access live and on-demand workouts 24/7.
- All permanent team members have the opportunity to purchase additional weeks of leave through our More YOU Time program.
- Our Here For You and Yours program offers 1:1 counselling for team members and their families, as well as an online portal of tools and resources on all things mental health, stress management, nutrition, relationships, parenting and work/life balance.
- We have facilitated Mental Health First Aid training and drive a culture where all team members are encouraged to check in on one another.
- We offer a suite of benefits to help our team members manage their finances and life admin, from a 50% staff discount across our brands to car leasing, financial advisors, health insurance offers and an on-site concierge at our Global Support Centre.

Belonging

Building a culture of belonging and connection extends from our team to our customer and everyone in between. We want our people to feel seen, heard and accepted for who they are.

We're really proud to employ a diverse workforce of 18,000 people and we use every day as an opportunity to listen, learn and drive positive change in the areas that matter most to our people. That means fostering an environment where they can be themselves, and have equal opportunity to succeed.

For our customers, it's about creating products and experiences that are reflective of their diverse lifestyles and encourage them to feel great from the inside out.



Highlights

- We work hard to level the playing field and are proud that 50% of our senior leadership roles are filled by women. We also take pay equity really seriously to ensure we're not perpetuating the global inequalities that exist in today's workforce.
- We've connected with First Nations communities to better understand how we can celebrate and acknowledge their heritage and culture. In Australia, we've commenced our reconciliation journey with our Reconciliation Action Plan.
- We're partnering with WorkFocus Australia to build awareness of disabilities, obtain specialist training, and remove any barriers from our current practices to be more inclusive of those with disabilities.
- We celebrate global cultural events that are important to our people and our business including International Women's Day, Chinese New Year, NAIDOC Week, Ramadan, Nelson Mandela Day and Pride.
- Our Returnity program gives team members returning to work after parental leave the flexibility to scale up their hours while being paid full time. Parents at our global support centre can also access a subsidised School Holiday Program, which includes awesome activities like dress-up days, inflatable water parks, designing t-shirts and creating your own website.
- To improve inclusivity for our customers, we have introduced extended size ranges offering sizes 6 to 16. In 2016, we launched our plus-size women's brand, Cotton On Curve, catering for female body sizes 16 to 24. We've also created gender neutral ranges for our Cotton On KIDS and Factorie brands.
- All our inductions include diversity, equity and inclusion training, and we also offer cultural awareness and unconscious bias training. Emotional intelligence (EQ), collaboration and partnership programs help our people understand each other and work well together.
- Dogs belong at Cotton On Group too! They have always been an important part of our office culture and we welcome furry friends onto our campus every day. We even have doggie photo shoots for our team and their pups, with proceeds going towards our local RSPCA.

Learning and Development

Professional development isn't just about setting people up for success in their current roles, it's about nurturing the next generation of great leaders - because we know they're already among us!

We encourage our people to own their own development, and take charge of where they want to go next in their careers. Our role? To provide the tools and support they need to get there through world-class learning and development opportunities, whether that be development sessions, stretch projects or secondments.



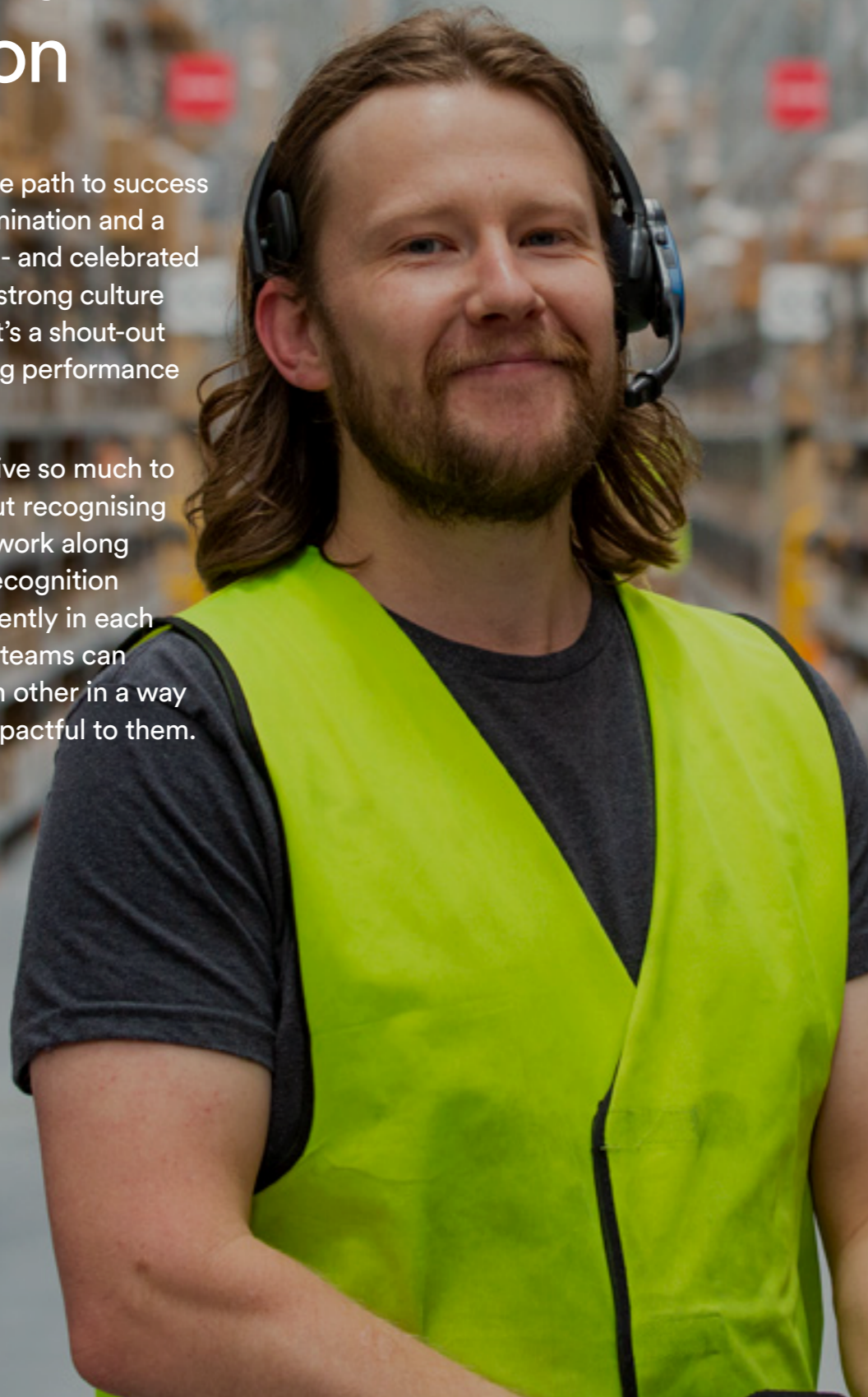
Highlights

- Our focus on development means we regularly promote from within, with more than 3,000 internal moves happening in 2021 alone and 65% of new roles being filled by internal talent.
- To foster an Ever Better learning and development culture, COG Uni was set up in 2013 and our online learning portal, YOU Learning, offers more than 1,000 learning bite topics. In 2021, more than 9,000 team members attended development sessions on a range of topics, and 317,000 learning bites were completed.
- Our Best First Day Ever sessions and 90-Day Inductions set our new team members up for success from day one, and role-based programs equip them with the technical and systems skills they need.
- Our performance conversations, or as we call them, Best of YOU conversations, happen every day between team members and their managers. We also deliver our Lead and Manage People program to new and existing people leaders around the globe.
- To develop our people in all areas of their life we offer programs that focus on personal wellness and effectiveness, emotional intelligence, and personal and professional development planning.

Reward and Recognition

At the Cotton On Group, the path to success is fuelled by passion, determination and a fierce entrepreneurial spirit - and celebrated at every turn. We've built a strong culture of recognition, whether that's a shout-out between mates or rewarding performance in a more formal way.

Knowing that our people give so much to our business, we're all about recognising and celebrating their hard work along the way. Our reward and recognition framework shows up differently in each of our markets, so that our teams can celebrate and support each other in a way that's most relevant and impactful to them.



Highlights

- Our reCOGnise program empowers leaders and peers to call out team members' contributions to our purpose of making a positive difference in people's lives.
- We celebrate our people's most important moments and milestones, from career moves and tenure anniversaries to getting married, starting a family or celebrating a big birthday.
- Our Experience of a Lifetime program recognises exceptional retail team members who give our customers world-class experiences in the lead-up to the November and December trade season. In 2021, we were thrilled to reward more than 112 teams and individuals with an Experience of a Lifetime.
- Our quarterly COG Awards celebrate teams and individuals for delivering an incredible customer experience. In 2021, we were proud to recognise more than 2,000 superstar team members.
- We've sent more than 1,000 team members to Uganda, South Africa and Thailand to see the work we do through the Cotton On Foundation and build ambassadors within our global team of 18,000 people.



Case Study:

Belonging at Supré

Belonging has been a cornerstone of our culture since the beginning, but we know we can always do more - that's just part of our Ever Better philosophy.



In July, we took a moment to check in with our people and understand what belonging means to them and how we can promote a deeper sense of inclusivity. We sat down with the team at Supré to talk about the concept of belonging and asked a series of questions about how it shows up for them at work:

- Do you feel like you belong in Supré?
- Can you be your authentic self at work?
- Have you ever felt like you weren't seen, heard or valued? If you can, share what made you feel this way?
- What could we stop, start or continue doing to create a culture of belonging?

We are incredibly proud to report that 95% of team members felt like they belong, and 95% said they can bring their authentic selves to work.

The survey also uncovered some incredible opportunities for us to ensure our team feel seen, heard and valued. These include listening to understand and not just to respond, and showing greater empathy for people in all situations - not just focusing on the experience of the majority.

As a result of this feedback, Supré has committed to more training in unconscious bias and emotional intelligence (EQ), as well as including belonging in inductions and Best of YOU conversations. We'll continue to foster a 'speak up' culture too, because open communication and belonging go hand in hand.

We know our business is at its best when our people are at their best, so we're committed to rolling out Belonging feedback sessions across our business in 2022.

Thank You

Doing Good takes a lot of people.

The Good reported here is a snapshot of what's most important to us at the Cotton On Group and how we are living and breathing our purpose. None of this would be possible without the dedication, commitment and loyalty of our global team, and every one of our customers.

We've worked closely with key stakeholders across the business and industry specialists to make sure we covered the most meaningful things in these pages, and we're incredibly proud of what we've achieved so far.

But there's so much more that's not so easy to include in a report - it can't be organised into chapters and headings. It's the stuff you can't see, like the dedication and drive to create meaningful change. The determination to do better. And the commitment to leave the planet better than we found it.

We're building a global movement powered by *Good*, and we're encouraging everyone to join us. Our team members. Our customers. You. Thousands of individuals united by a common purpose, to make a positive difference in people's lives.

Thank you for getting us where we are today, and for joining us on the journey to tomorrow - we couldn't *Do Good* without you.





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